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STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL INSTITUTIONS

160 North LaSalle Street • Room 500 • Chicago, IL. 60601

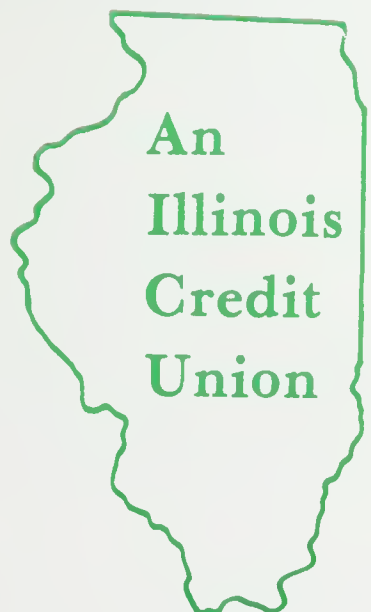
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How To Charter Your Own Group's Financial Institution



UNIVERSITY OF ILLINOIS-URBANA



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Organizing An Illinois C

1. Read The Facts

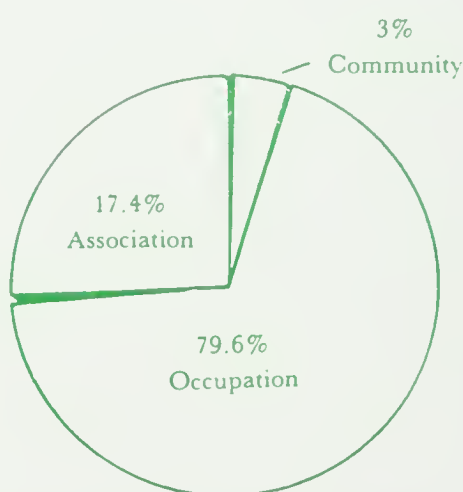
A Credit Union is a group of people who share a **common bond** such as working together, living in the same neighborhood, belonging to the same church, union or other organization, who...

- Desire to own and operate their own financial institution.
- Agree to pool their savings which are used to make loans to fellow members and to buy government securities or other approved investments.
- Share mutually in the net income, via dividends, after deducting operating expenses and required reserves.

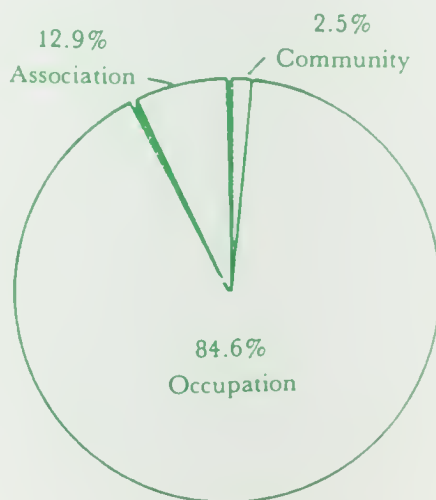
All directors are elected annually by the members. Operating policies and services offered are determined by the credit union officials and can include most any kind of consumer financial services.

Share balances are insured up to \$100,000 and the Department examines and supervises all credit unions for safe and sound operation.

The Common Bonds of Illinois Credit Unions



Number of Credit Unions



Assets

Chartered Credit Union Is As

2. Consider The Credit Union Advantage

- * Credit Unions are **non-profit corporations**. Earnings after expenses are returned to the members as dividends. There are no regulations limiting the dividend rates paid to members.

FACT: In 1982 Illinois Credit Unions paid an average of 8.5% on savings with total dividends exceeding \$197 million.

- * Credit Unions are **owned by their members**. They are created to meet the members' financial needs.

FACT: Over 1,444,000 Illinois citizens belong to Credit Unions.

- * Credit Unions **help members save**. Most sponsoring organizations provide payroll deductions. Savings deposits and loan payments are automatically made each payroll period as requested by the member.

FACT: Over 84% of Credit Union savings are in occupational (common employer) credit unions, most of which receive payroll deductions.

- * Credit Unions **provide loans at low rates** and offer financial counseling for members.

FACT: The average yield on credit union loans in 1982 was 13.4%.

- * Credit Unions are **easy to organize** and charter.

FACT: Since the first Illinois Credit Union Act was passed in 1925 over 2500 Credit Union charters have been issued to Illinois groups.

Easy As . . . 1 . . . 2 . . . 3

3. Interested?

Here are the next steps . . .

- Inform the Department of your interest.
 - Meet with other persons from your group and sponsoring organization to share information and answer questions to decide if a credit union will meet member needs.
 - Obtain chartering forms and other legal documents required to make application.
 - Identify and contact other organizations for advice and assistance, including trade associations and nearby credit unions.
 - Hold an “Organizational Meeting” to review the proposed operating policies and projected budgets to insure the proposed credit union is economically viable.
- ➡ • Open for business! Upon satisfactory completion of the steps above, the Director will issue a Charter authorizing your group to operate its own financial institution.

To find out more, telephone or write:

**The Department of Financial Institutions
Credit Union Division**

160 N. LaSalle Street — Chicago, IL 60601
(312) 793-2010

or

421 E. Capital Street — Springfield, IL 62706
(217) 782-2833

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Some Comments About Illinois Credit Unions...

“Until our Credit Union was formed the only place our young, low ranking enlisted personnel could borrow money was from one of the 22 pawn shops and 23 finance companies that used to be located outside our gates...”

Credit Union 1

“Our teachers are enthusiastic about our payroll deductions service that enables us to provide automatic services while they are pursuing their active careers... they like the 12% loan rates and 7½ % dividends on regular savings too...”

**Elmwood Park School
Employees Credit Unions**

*“Management of the **Chicago Sun-Times** consider the Credit Union to be one of their outstanding employee benefits...”*

**Chicago Sun-Times
Employees Credit Union**

“Our members take pride in their ‘financial institution’ consisting of 2 desks and a file cabinet tucked into a small office that is open during lunch hours and operated by its directors...”

**Fluor Pioneer
Employees Credit Union**

“Our Credit Union gives fast and convenient service to employees at 12 work locations throughout the U.S. We have one loan rate and we pay the same quarterly dividend (averaging 13% last year) to each member whether the person has \$5 or \$5000 in shares.

**United Airlines
Employees Credit Union**

“City of Harvey employees really like their credit union and tell me repeatedly, ‘Thank goodness for the Credit Union...’ The automatic savings deductions help build sound money management habits for individuals who would not be able to save otherwise... their funds are put to good use in loans to members with a minimum of red tape.”

**City of Harvey
Employees Credit Union**



Highlights of Illinois Credit Union History

JUNE, 1925: First Illinois Credit Union Act passed by the Illinois General Assembly.

DECEMBER, 1925: Charter No. 1 issued to Belden Employees C.U., Geneva... Today Belden has over \$4.0 million in assets and almost 3,000 members.

DECEMBER, 1947: Charter No. 1,000 issued to St. Vincent Parish C.U., Chicago,

JANUARY, 1958: Charter No. 2,000 issued to Credit Union 1, Rantoul.

DECEMBER, 1970: Total membership of Illinois Credit Unions exceeds 1.0 million.

JUNE, 1973: Total assets of all Illinois Credit Unions exceeds \$1.0 billion.

NOVEMBER, 1978: Total assets exceed \$2.0 billion.

AUGUST, 1979: Recodified Credit Union Act passed by General Assembly and signed by Governor Thompson providing Illinois Credit Unions one of the most progressive statutory frameworks of any state...

“The Department of Financial Institutions does not discriminate in admission to, or treatment of employment in programs or activities in compliance with the Illinois Human Rights Act, the U.S. Civil Rights Act, Section 504 of the Rehabilitation Act, as amended, and the U.S. Constitution. Mary L. Brandon is responsible for compliance. (217/782-8470)”